



Director of
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LEBANON: No Effective Cease-Fire in Sight

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Syrian Foreign Minister Khaddam is expected to go to Beirut today, but neither the Syrians nor the Christian militias appear ready to make the concessions necessary to end the fighting.

The Syrians are unlikely to accept a cease-fire that would allow the Christian Phalange to consolidate control of the Bekaa Valley town of Zahlah. Such a move would weaken Syrian dominance over the central Bekaa, a region Syria wants to control to guard against an Israeli flanking attack through Lebanon into Syria. Damascus probably also hopes to demonstrate to Lebanese factions, the US, and others that it ultimately controls Lebanon and has the means to block any change in power alignments there.

The Syrians reportedly have augmented their forces around Zahlah with additional armor units--already in the Bekaa Valley--and special forces units from northern Lebanon or Syria. They now have approximately two armored battalions and a special forces battalion around Zahlah. The Syrians yesterday were expected to launch a two-pronged attack to relieve pressure on a vulnerable checkpoint on the bridge east of the town.

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Christian rightists in Zahlah also show no inclination to end the fighting, especially on terms favorable to the Syrians.

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The Christians will feel little pressure to negotiate seriously an end to the hostilities as long as they believe they have Israeli backing in the present conflict and the Syrians are unable to dislodge them from their positions around Zahlah.

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WESTERN EUROPE: Differences in Madrid

Differences between the West European Allies and the US are emerging as the CSCE review meeting in Madrid approaches the Easter recess. [redacted]

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The West Europeans frequently are presenting the US with positions on security issues that have been agreed to in an EC caucus rather than within NATO. They believe that the Western positions must be softened in order to bring the meeting to a successful conclusion and to keep the CSCE process alive. Although US insistence might persuade the West Europeans to adopt strong formulations on some issues, they probably will still push for some Western concessions. [redacted]

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The EC members, for example, now are willing to negotiate confidence-building measures in Madrid if agreement can be reached on the terms of reference and organization of a followup security conference. Previously, the West had rejected proposals for negotiations in Madrid on the measures because they did not fit the strict criteria that NATO demanded, but now the West Europeans seem prepared to accept formulas that would make verification guidelines much more vague. [redacted]

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In contrast to the West European positions, Canada recently repeated its threat to refuse to agree to any security decisions unless the East accepts its proposal for a meeting of human rights experts. [redacted]

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France has puzzled other Western states by apparently backing off its proposal for a Conference on Disarmament in Europe. It is hinting now that it might accept a preparatory meeting before a full-dress conference. [redacted]

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Norway, in addition, has become the first ally to favor including sea and air spaces "as appropriate" in the area to be covered by the CDE. Although most Allies are convinced that such an inclusion would overly constrain NATO forces, Oslo is primarily interested in controlling Soviet exercises close to its borders. [redacted]

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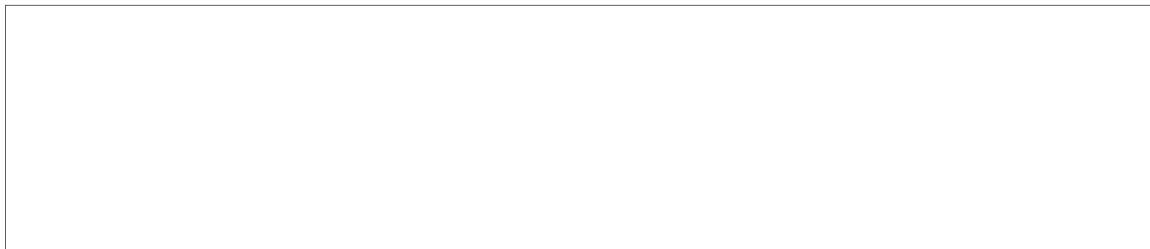
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CUBA: Emigration to US Continues

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The illegal flow of Cubans to the US is continuing through several Central American countries. [redacted]

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Another illegal visa operation for Cubans may have been established in Honduras. [redacted]

[redacted] Honduran visas can be obtained for \$150. [redacted]

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The Costa Rican Consulate in Havana began issuing transit visas last fall, although it was shut down in early March following a scandal involving payoffs to Costa Rican Government officials. Before his recall, the Consul issued large numbers of visas and several thousand could still be outstanding. A commercial flight from Havana at the end of March carried 215 Cubans to San Jose. [redacted]

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The massive numbers of Cubans who requested permission to leave last year live on the fringes of society, without jobs or educational rights for their children. The chance to emigrate, however, is likely to keep most of them quiet. [redacted]

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UGANDA: Dissident Threat Grows

The government of President Obote is becoming increasingly concerned over the breakdown of order and the growing threat from armed dissidents. [redacted]

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The largest dissident group, led by former Ruling Council Vice Chairman Museveni, reportedly is gaining new recruits and now has at least 4,000 guerrillas. Museveni is gaining effective control over some areas in western Uganda against little opposition. [redacted]

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The Baganda, the country's largest tribe and the dominant group in Kampala, may be prepared to join the opposition in greater numbers. Long suspicious of Obote, they increasingly believe that government repression is directed especially against them. [redacted]

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The dissident movement is still hampered by a shortage of arms and by factional bickering that has precluded coordinated attacks. The guerrillas are carrying out raids on isolated government outposts and terrorist attacks on vulnerable facilities such as the power station near Kampala. [redacted]

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Undisciplined troops, who have been patrolling the streets of Kampala more frequently since the guerrilla attacks began, are alienating the people with their looting and robbery. Security forces reportedly are executing large numbers of those they suspect of supporting the dissidents. [redacted]

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In the absence of a dependable security apparatus, the Ugandan Government relies even more heavily on the 10,500 Tanzanian troops in Uganda. The troops in Uganda are a burden on Tanzania's rapidly declining economy, and Tanzanian President Nyerere is likely to withdraw 4,000 of them by June despite his concern about the Ugandan situation. [redacted]

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IRAN-IRAQ: Possible Progress in Mediation Effort

Tehran and Baghdad have indicated they may be able to agree to a cease-fire that would be followed by the withdrawal of Iraqi forces from Iranian territory [REDACTED]

[REDACTED] Tehran has softened its demand to brand Iraq the "aggressor," allowing that issue to be referred to an investigative commission. Baghdad also has shown flexibility by deferring its demand to retain control of the entire Shatt al Arab waterway. [REDACTED]

After meeting with the Supreme Defense Council yesterday, however, President Bani-Sadr said that the cease-fire and withdrawal must be simultaneous. Iran has publicly insisted on this condition since the beginning of the war but may show some flexibility after the terms for an Iraqi withdrawal are made clearer. Islamic Conference Secretary General Habib Chatti of Tunisia probably will continue to shuttle between the two countries in an attempt to clarify the proposals. [REDACTED]

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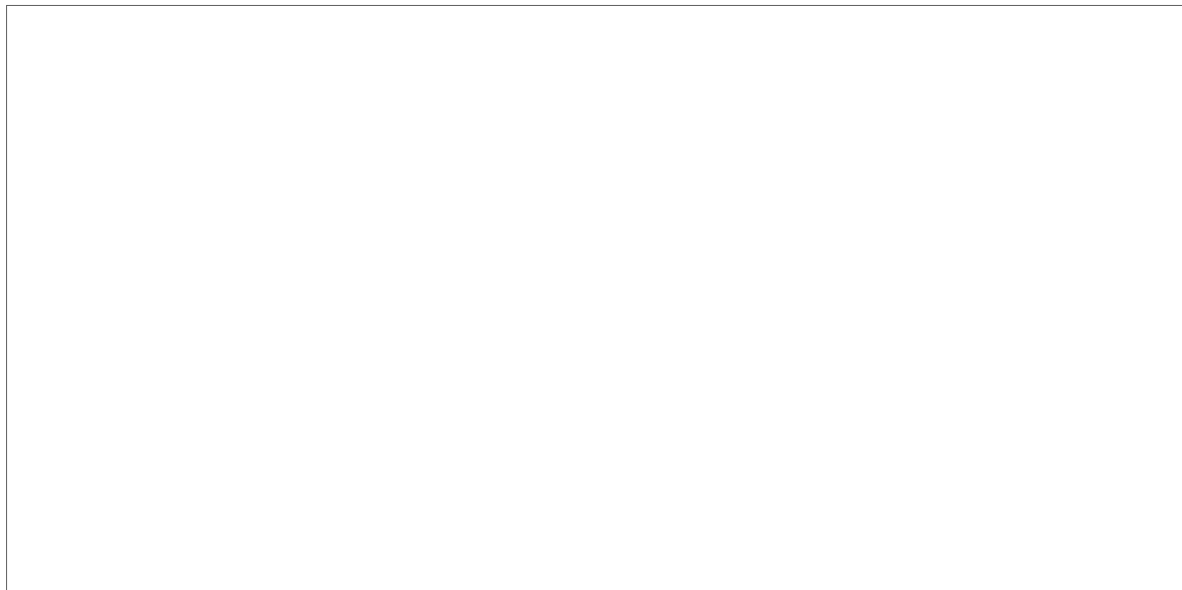
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MADAGASCAR: Leftist Government in Trouble

The leftist government under President Ratsiraka appears shaky as a result of the country's rapid economic decline. Rioting has broken out at intervals since December, and new unrest appears almost inevitable in view of recent severe price hikes for basic commodities and Ratsiraka's response--wholesale arrests, a curfew, and troops in the streets. The US Embassy reports that, in view of the volatility of the situation, it is unclear whether the military would be able or willing to deal with a major disorder. [REDACTED]

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YUGOSLAVIA: Unrest in Kosovo Subsides

The situation in Kosovo remains tense but appears to be returning to normal after the clashes last week. The deep-rooted hostility between the province's Serbs and ethnic Albanians will, however, continue to plague the Yugoslav leadership. In a press conference yesterday, Presidium member Stane Dolanc confirmed that 11 people, including two policemen, had died and said that the emergency measures would be eased. Although not discounting the possibility of foreign involvement in the unrest, he placed most of the blame on nationalists within Yugoslavia. An influential Belgrade daily has called for an open discussion of the events, probably reflecting concern that other nationalities could use the regime's previous closemouthed policy, which gave rise to numerous false rumors, to incite unrest.

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BELGIUM: New Government

Prime Minister - designate Eyskens has put together another Social Christian - Socialist coalition government, with a cabinet apparently identical to that of outgoing Prime Minister Martens. Leaders of the coalition parties have agreed in broad terms to an economic program that includes reform of the wage index system, a temporary price freeze, and measures to stimulate employment and hold down the trade and budget deficits. The foreign and defense policies of the last government will probably be continued, including the formula on TNF that ties agreement on basing to progress in US-Soviet arms control talks.

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The renewal of Belgium's "customary coalition" of Social Christians and Socialists is more a reflection of the parties' desire to end the cabinet crisis quickly and avoid early elections than of any new agreement on how to deal with the country's severe economic problems. With policy disputes likely in coming weeks, the new government probably will have no more staying power than its predecessors.

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SPECIAL ANALYSIS

NICARAGUA: Trend Toward One-Party State

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The Sandinistas are accelerating efforts to consolidate power, and over the next few months they probably will further restrict the opposition while building their military strength and blaming the US for their economic problems. The Sandinistas may decide that outright suppression of the opposition is necessary to save their regime, even if they lose Western economic aid as a result. They have responded to US pressures--including the suspension of aid--by stepping up attacks on Washington, and they may stage controlled anti-US demonstrations in Nicaragua.

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After coming to power in 1979, the Sandinista National Directorate devised a strategy for gradual consolidation of power that is designed to avoid an immediate confrontation with Western governments or domestic groups. The ultimate goal is a Marxist-Leninist state, but the plan calls for a transitional phase that allows some scope for the political opposition and for private enterprise in order to obtain Western financial assistance and participation by the private sector in rebuilding the economy.

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This strategy has served the Sandinistas well. They have extended their control by:

- Constructing a large and sophisticated security apparatus, with Cuban help.
- Eroding independent groups through absorption, harassment, and legal restrictions.
- Mobilizing the masses with Sandinista-controlled organizations.
- Increasing economic control through confiscations, purchases of controlling interests in private companies, and threats.

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Throughout this process, Managua has received substantial economic aid from Western nations and has renegotiated much of its foreign debt on exceptionally favorable terms. As late as last summer, the Directorate expected to establish complete control by 1985, when "elections" would be staged to ratify its program. [redacted]

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From the beginning, however, Sandinista leaders have been concerned over their vulnerability during the transition period to counterattacks by US "imperialism" and by the Nicaraguan middle class, and they have expected an eventual showdown. The Sandinistas' program has tended to make this expectation come true. As the regime has consolidated power, it has undermined its claims that it tolerates opposition activity, thereby weakening its ability to secure private sector and Western cooperation. Sandinista involvement in El Salvador, moreover, has damaged Nicaragua's standing in the West and has led to strong protests from the US and Venezuela. [redacted]

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Recent Actions

In recent months, the Sandinistas have moved toward a one-party state more rapidly than originally planned.

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[redacted]

While offering to open a dialogue with the opposition, Sandinista spokesmen are also threatening more mob violence if accommodation proves impossible. [redacted]

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The official media are denouncing the US aid cutoff as "economic aggression," and the regime is trying to promote an international backlash against Washington. Most Western governments, however, privately back the US decision while expressing hope that Washington will continue to seek good relations with Managua. [redacted]

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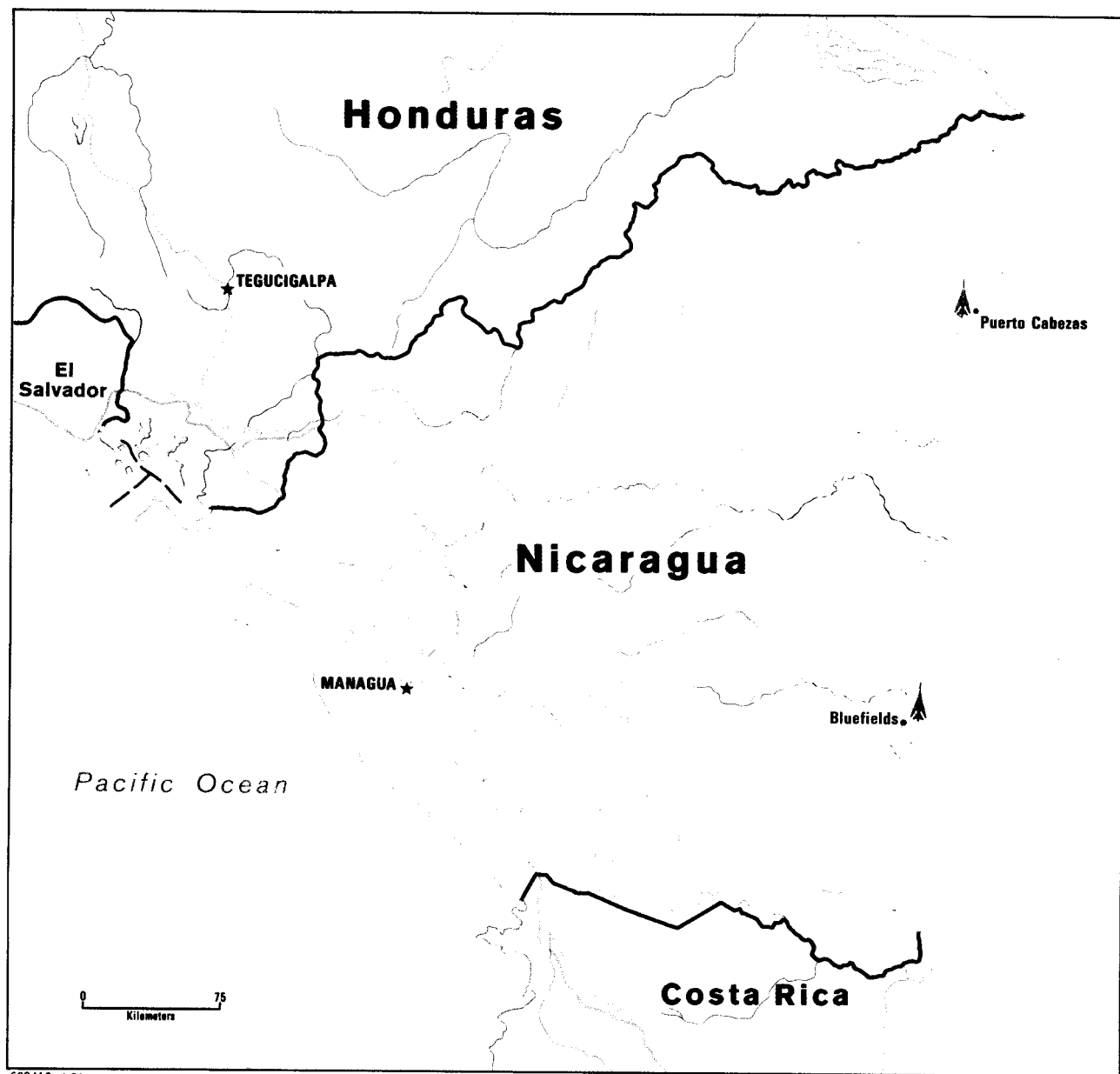
Pressures for Radicalization

The Directorate is convinced that the US--in collaboration with armed bands, the democratic opposition, and conservative Central American governments--is orchestrating a campaign against the regime. The Sandinistas' basic views were formed during the long guerrilla struggle, and

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they are heavily preoccupied with defending the revolution. From their perspective, US military aid to the Salvadoran junta, attacks by the Honduran counterrevolutionaries, and criticism of government policies by independent political parties constitute evidence of a conspiracy. [REDACTED]

Economic and political strains have begun to crack the unity displayed so far by the nine-member Directorate, but competition among the members has mainly encouraged radicalization. The four most powerful members--who control the security forces and the official media--are hardliners. The Directorate probably believes that the Sandinista rank and file demand more radical measures, and Nicaragua's growing economic woes and diplomatic problems encourage the search for scapegoats. [REDACTED]

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Outlook

The pressures that are moving the regime to the left are likely to increase, and establishment of one-party control probably will continue apace. Although the Directorate has cut back its aid to Salvadoran revolutionaries in response to US demands, the hardliners probably believe they have more latitude in dealing with opponents at home. [REDACTED]

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While Sandinista propaganda will continue to attack Washington and, to a lesser extent, the conservative governments in northern Central America, the domestic opposition most likely will carry the brunt of Sandinista attacks. During the next few months, the regime probably will try to intimidate the major independent labor union, halt virtually all non-Sandinista political activity, and possibly instigate mob violence against the independent newspaper *La Prensa*. [REDACTED]

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In addition, the Sandinistas will continue their rapid military buildup, which has been aided by Cuban advisers and an influx of Soviet-designed arms. [REDACTED]

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